

## SOUTH EAST ENGLAND COUNCILS EXECUTIVE MEETING



Date: 1 December 2016

Subject: **Hard Choices: Making informed decisions on South East services and investment following the Autumn Statement**

Report of: Heather Bolton, SEEC Director

### Recommendations:

Members are asked to:

- i) Consider the implications of Autumn Statement announcements for South East authorities and their priorities for 2017-18, including Local Growth Fund impacts
- ii) Discuss how economic and social trends are reflected in the Statement and can help inform councils' decisions on future local services and investment
- iii) Consider any relevant SEEC follow up work

### 1. The Autumn Statement

1.1 Chancellor Philip Hammond's Autumn Statement on 23 November outlined Government's financial and policy priorities. The Statement set out a new approach following significant Ministerial changes since the appointment of Theresa May as Prime Minister in July.

1.2 A number of key announcements in the Statement will impact on South East local authorities. (SEEC's [same day briefing](#) gives more details).

- The South East is expected to benefit from some of the £23bn National Productivity Investment Fund. It is not yet clear how much will be available to the South East from:
  - A £2.3bn national bid process for infrastructure investment to support house-building
  - £1.4bn for 40,000 affordable homes nationally and £1.7bn to speed up housing delivery on public sector land
  - £2.1bn nationally for road and rail improvements (one specific announcement commits £137m for Oxford-Cambridge road and rail links)
  - £1bn for fibre broadband and 5G, including 100% rate relief for new fibre infrastructure.
- There is disappointment that the Chancellor did not address social care funding to help councils meet the needs of the South East's large and growing elderly population.
- Unchanged budgets for Government departments, such as DCLG, mean that councils will continue to face difficult budget choices for 2017-18 and beyond.

1.3 It is unclear how greater powers and funding announced for the north and midlands – and other areas with elected mayors – will balance with investing in continued economic returns from the South East. Some areas have already raised particular concerns about reduced Local Growth Fund (LGF) allocations in the South East – as articulated in the attached letter from Cllr Paul Bettison, Chairman of the Berkshire Leaders' Group. Members are encouraged to update the Executive on their own LGF discussions and consider whether SEEC should make representations to Ministers about reduced funding.

### 2. Spending choices post Autumn Statement: What factors can help councils plan for future demand?

2.1 Taking the Autumn Statement as a starting point, guest speaker Lisa McCance, Programme Director at Shared Intelligence, will introduce a debate on how economic and social trends can help inform the difficult budget choices councils need to take for 2017-18.

2.2 Lisa will introduce the debate by highlighting how residents' expectations and lives are changing, the opportunities and challenges this brings and how some councils are responding. She will cover three key areas:

- **Economy & employment**
  - The changing economic structure
  - Employment and workforce – impact of choices made by younger generations, such as Millennials
  - The Experience Economy
- **Housing & infrastructure**
  - Tenure and future models for housing delivery

- UK commuting and transport futures
- Urbanisation
- **Lifestyle**
  - Impact on economy & infrastructure
  - Digital access
  - Implications for health & social care
  - Chaotic reality - challenging consumer and brand expectations.